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OREGON LABOR TRENDS

Prepared by Research and Statistics Section

STATE OF OREGON • EMPLOYMENT DIVISION • DEPARTMENT OF HUMAN RESOURCES

JUNE 1984

MAY INDICATORS

UNEMPLOYMENT RATE

Oregon	S.A.
May '84	9.1
Apr. '84	9.1
U.S.	
May '84	7.5
Apr. '84	7.8

WAGE AND SALARY EMPLOYMENT INDEX

Oregon 1977=100

May. 1984:	105.8
Apr. 1984:	106.0
Mar. 1984:	106.0
Feb. 1984:	106.0
Jan. 1984:	105.5

DIFFUSION INDEX

Oregon

May 1984:	57.0
Apr. 1984:	63.6
Mar. 1984:	65.9
Feb. 1984:	62.8
Jan. 1984:	60.5

PRODUCTION WORKER AVERAGE WEEKLY HOURS

Oregon

Apr. 1984:	39.5
Mar. 1984:	39.4
Apr. 1983:	38.9

CONSUMER PRICE INDEX (CPI)

1967=100

ALL URBAN CONSUMERS

Portland SMSA	
May 1984	301.9
Year Change	+ 4.6%
U.S.	
May 1984	309.7
Year Change	+ 4.2%

Portland Hotline 221-4132

MONTHLY ECONOMIC ANALYSIS

Earl Fairbanks

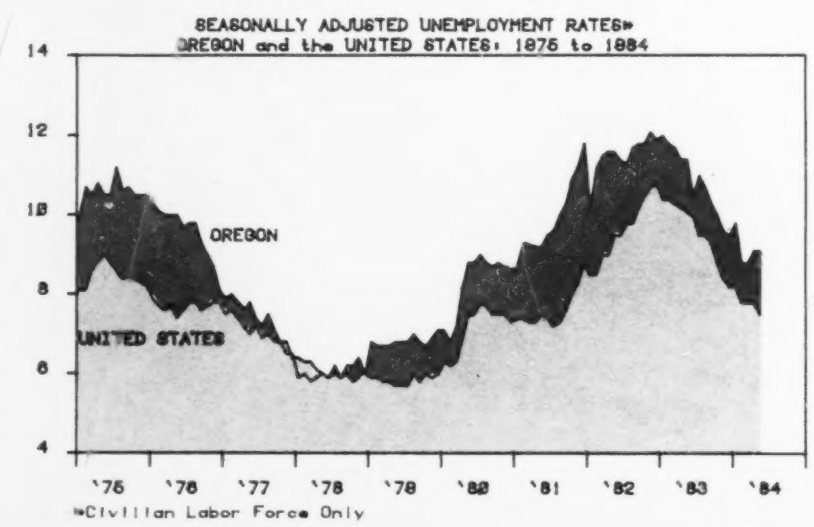
May was a good month for Oregon as employment rose and the number of unemployed declined. Oregon pulled a coup by attracting a major foreign investment and the state began preparing for a major influx of tourists this summer.

Even with unseasonable rains drenching most of Oregon's population, total employment increased by 13,500 while unemployment dropped 7,200. Since this was a normal April to May change, the seasonally adjusted unemployment rate remained at 9.1%. May's nonfarm wage and salary employment was 7,400 over April and 29,500 more than a year ago.

It is important to point out, however, that Oregon is still making up ground lost since 1979 when May's nonfarm employment was 1,049,000, topping this year's May total by 55,900. Not so for the nation, which hit a new peak in May when nonfarm employment reached 93.7 million.

Oregon's Diffusion Index sagged to 57.0, in May, but it also was the 15th consecutive month above 50.0. This index represents the percentage of a selected group of industries with increasing seasonally adjusted employment. An index above 50.0 indicates a growing economy.

Positives outweighed negatives in Food & Kindred Products. Employment in Canning & Preserving, excluding Seafood Processing, was at its highest May level ever at 9,900. Prices for



RESIDENT OREGON LABOR FORCE

	May 1984 1/	Apr. 1984 2/	Change	% Change	May 1983 5/
Civilian Labor Force 3/	1,314,600	1,308,300	6,300	0.5	1,344,700
Unemployment	122,800	130,000	- 7,200	-5.5	154,900
Percent of Labor Force	9.3	9.9	xxx	xxx	11.5
Seasonally Adjusted Percent	9.1	9.1	xxx	xxx	11.4
Total Employment 4/	1,191,800	1,178,300	13,500	1.1	1,189,800

1/ Preliminary. 2/ Revised. 3/ Includes employed and unemployed individuals 16 years and older. Data are adjusted for multiple job-holding and commuting. 4/ Includes nonagricultural wage and salary, self-employed, unpaid family workers, domestics, farm workers, and labor disputants. 5/ Due to revised estimating procedures between December 1983 and January 1984, data for 1984 and that of previous years are not strictly comparable.

NONAGRICULTURAL WAGE & SALARY EMPLOYMENT
(By Place of Work)

INDUSTRY	May 1984 1/	Apr. 1984 2/	May 1983	Change From Apr. 1984	Change From May 1983
TOTAL 3/	993,100	985,700	963,600	7,400	29,500
Wage & Salary Employment Index 4/	105.8	106.0	102.8	xxx	xxx
Diffusion Index 5/	57.0	63.6	58.1	xxx	xxx
Total Manufacturing	195,000	193,700	182,200	1,300	12,800
Durable Goods	143,000	142,700	131,800	300	11,200
Lumber & Wood Products	65,300	65,100	60,900	200	4,400
Logging & Sawmills	33,700	33,200	31,600	500	2,100
Veneer & Plywood	17,600	17,800	17,300	- 200	300
Millwork & Structural Wood	8,300	8,500	7,100	- 200	1,200
Mobile Homes	1,800	1,700	1,500	100	300
Other Wood Products	3,900	3,900	3,400	0	500
Furniture & Fixtures	2,200	2,300	2,400	- 100	- 200
Stone, Clay, Glass, & Concrete	3,000	3,100	3,000	- 100	0
Primary Metals	8,800	8,800	7,300	0	1,500
Blast Furnaces, Iron & Steel	4,800	4,700	3,900	100	900
Nonferrous Metals	4,000	4,100	3,400	- 100	600
Fabricated Metals	9,800	9,900	8,900	- 100	900
Fabricated Structural Metals	4,400	4,400	3,900	0	500
Other Fabricated Metals	5,400	5,500	5,000	- 100	400
Machinery	15,900	15,700	14,900	200	1,000
Electrical Equipment & Supplies	12,200	11,900	10,300	300	1,900
Transportation Equipment	8,800	8,900	7,000	- 100	1,800
Instruments & Related Products	14,500	14,500	14,900	0	- 400
Miscellaneous Manufacturing	2,500	2,500	2,200	0	300
Nondurable Goods	52,000	51,000	50,400	1,000	1,600
Food & Kindred Products	21,500	20,600	21,100	900	400
Canning & Preserving	11,400	11,000	11,400	400	0
Other Food Products	10,100	9,600	9,700	500	400
Textile Mill Products	1,800	1,800	1,600	0	200
Apparel	2,600	2,600	2,500	0	100
Paper & Allied Products	9,300	9,200	9,200	100	100
Printing & Publishing	10,800	10,800	10,300	0	500
Chemicals & Allied Products	2,300	2,200	2,200	100	100
Petroleum Refining	500	600	500	- 100	0
Rubber & Plastic Products	2,700	2,700	2,500	0	200
Leather Products	500	500	500	0	0

NONAGRICULTURAL WAGE & SALARY EMPLOYMENT
(By Place of Work)

INDUSTRY	May 1984	Apr. 1984	May 1983	Change From Apr. 1984	Change From May 1983
(cont.)					
Total Nonmanufacturing	798,100	792,000	781,400	6,100	16,700
Mining & Quarrying	2,000	1,800	1,600	200	400
Construction	25,300	23,900	25,300	1,400	0
Transportation, Communications, & Utilities	55,500	55,600	55,100	- 100	400
Transportation	33,000	33,000	31,200	0	1,800
Railroad	5,400	5,400	5,400	0	0
Trucking & Warehousing	17,100	17,100	16,100	0	1,000
Other Transportation	10,500	10,500	9,700	0	800
Communications	14,200	14,300	15,100	- 100	- 900
Utilities	8,300	8,300	8,800	0	- 500
Trade	249,400	247,500	240,200	1,900	9,200
Wholesale Trade	63,000	62,900	61,400	100	1,600
Durable Goods	37,100	37,200	36,500	- 100	600
Nondurable Goods	25,900	25,700	24,900	200	1,000
Retail Trade	186,400	184,600	178,800	1,800	7,600
General Merchandise	24,600	24,300	22,800	300	1,800
Food Stores	28,000	28,600	27,600	- 600	400
Auto Dealers & Service Stations	23,400	23,300	21,800	100	1,600
Other Retail Trade	110,400	108,400	106,600	2,000	3,800
Finance, Insurance, & Real Estate	65,700	65,600	64,400	100	1,300
Banking & Credit Agencies	23,500	23,400	23,200	100	300
Other Finance, Insurance, & Real Estate	42,200	42,200	41,200	0	1,000
Services	199,600	198,600	195,200	1,000	4,400
Hotels & Personal Services	24,000	23,300	23,400	700	600
Health Services	68,000	67,600	66,100	400	1,900
Other Services	107,600	107,700	105,700	- 100	1,900
Government	200,600	199,000	199,600	1,600	1,000
Federal Government	29,400	29,300	29,100	100	300
State Government	53,100	52,900	52,700	200	400
Education	22,900	22,900	22,600	0	300
Other State	30,200	30,000	30,100	200	100
Local Government	118,100	116,800	117,800	1,300	300
Education	76,200	75,500	75,900	700	300
Other Local	41,900	41,300	41,900	600	0
Labor-Management Disputes	600	900	500	- 300	100

1/ Preliminary

2/ Revised

3/ Includes full and part-time nonfarm wage and salary workers in pay periods including the 12th of the month. Proprietors, self-employed, private household workers and armed forces excluded. NOTE: Estimated in cooperation with the U.S. Bureau of Labor Statistics and Employment and Training Administration. All data are based on the 1972 Standard Industrial Classification (SIC) codes as amended by the 1977 supplement.

4/ Total nonagricultural wage and salary employment, seasonally adjusted, and indexed to 1977. Data on the earlier index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of .8264, the ratio between 1972's annual average employment (774,300) and that of 1977 (936,900).

5/ The diffusion index is the percentage of a selected group of 43 industries showing an increase in seasonally adjusted employment. Half of those industries showing no significant change (less than 1/2 of 1%) are counted as increasing.

processed foods have fared better in recent years, and the shift from canned to frozen processing has helped smooth seasonal employment swings. Less optimistic was seafood processing, which remained down (1,300 below 1979) and will continue to limp along for some time to come. Diminished fish stocks, foreign competition, high fuel and transportation costs, and obsolete plants and equipment plague this industry.

Vacationers, getting an early start to avoid the heat and crowds, were the major reason for the leap in Hotels & Personal Services. Spending by both tourists and business travelers also triggered hiring in other sectors such as Food Services.

Anyone who doubts the importance of tourism to Oregon's economic well-being needs only to realize that 16 million visitors spent an estimated $2 billion in the state during 1983 on things like gasoline, food, lodging, and recreation. All that spending adds up to jobs in Oregon. Several factors are combining to make 1984 an even better year. In general the nation is experiencing a sharp economic rebound and consumer confidence is high. New car sales are soaring and gasoline supplies are plentiful. Probably even more important to Oregon tourism is the westward pull of the summer Olympics in Los Angeles. Thousands of vacationers who otherwise would not come west will be lured to the summer games with many making Redwood National Park, Crater Lake, Mt. St. Helens, etc. part of their itinerary.

After a year of strong sales and rising employment, Oregon's timber industry found its performance in May somewhat disappointing. Rising interest rates and a wet spring continued to plague the industry while concern over sluggish demand and growing inventories led to a dismal employment increase of 200, 1,500 less than expected for this time of year.

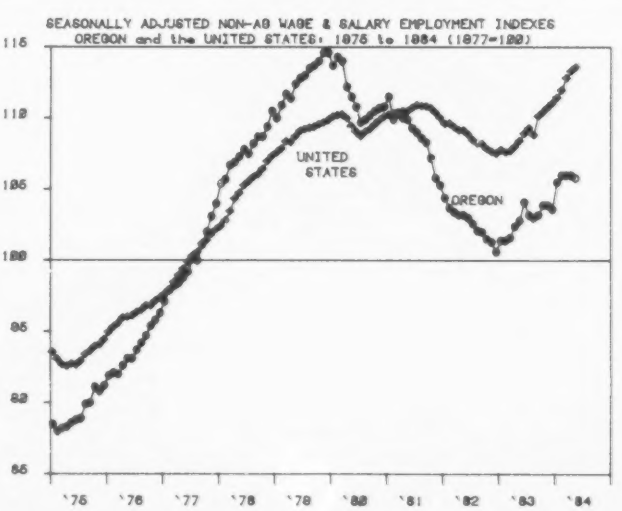
Flush with the optimism which prevailed early in the year, mills stepped up production to meet a demand that never fully materialized. In turn, producers were forced to reduce output and revise expectations.

The increased share of the market supplied by Canadian imports and southern competition also continue to hurt Oregon mills. In 1983, Canadian imports rose to 34% of total U.S. consumption. Canadian mills have benefitted from the steady decline in the value of the Canadian dollar relative to the U.S. dollar and from lower transportation costs to the east coast. Southern producers have the advantages of cheaper raw materials and labor, newer mills, and lower shipping rates due to their proximity to major markets in the East and Midwest.

Although increased funding for highway construction spurred an impressive gain of 1,400 construction workers during May, the increase was still 200 short of normal for the industry. Spending by the state for highway construction is running nearly 50% higher than just four years ago; about $150 million will be allocated for maintenance and new construction in 1984. The recent windfall in financial support for highways was generated by a federal 5 cent per gallon gasoline tax and also by an increase in the state's fuel tax.

Rising mortgage rates are draining the enthusiasm of many home buyers. As a result only small increases were noted in home construction during May. Even the newly popular adjustable-rate mortgages, with initial rates below those for conventional fixed-rate mortgages, are starting to climb beyond the budgets of many families.

Local government employment rose sharply in May (+1,300) with gains pretty much split between Education and Other Local Government. The latter jump was largely due to election activity. About half of the increase in Other State Government was due to hiring by the Highway Department. Recent approval was granted by the Legislative Emergency Board for the Department of Transportation to hire 200 additional staff to deal with an accelerated program of road construction.



NEC (Nippon Electric Co.) America's decision to build a $25-million fiber-optics plant on a 210-acre parcel in Hillsboro ranks as one of the largest industrial investments in the region by a Japanese company. It is the biggest foreign investment in Oregon since 1980 when Wacker Siltronic opened its silicon-wafer plant in Portland. The NEC facility will employ about 300 people when operations are under way in 1987.

Any hesitation NEC had about locating in Oregon apparently evaporated after a way was found to structure their operation to minimize their tax liability under the unitary tax formula.

Nippon officials stated several reasons why they chose to invest in Oregon. First, the "state's proximity to Japan"; second, the Portland area's "pool of highly skilled and productive workers"; and third, "the quality of life, cultural amenities and recreational opportunities".

Following the release of the May labor force statistics, there is little reason to doubt that Oregon's economy is slowing down from its nearly year-long period of growth. But rather than being bad news it could mean the expansion will continue rather than explode into a new burst of high inflation only to be followed by another recession. Oregon's economy however, is expected to continue to expand at moderate to low rates through the balance of 1984.

THE EMPLOYERS CORNER – NEW TECHNOLOGY

Val Ramsdell

Twenty Job Service Employer Committees (JSEC's) advise and critique the performance of the local employment office serving their area. In cooperation with your local JSEC each issue of the Oregon Labor Trends features an article of special interest to employers.

In early July, a switch will be flipped on, lights will flash, and the Oregon Employment Division will softly buzz and whirl further into the computer age. The Division is adding a new Optical Character Reader (OCR) computer system which will eliminate the manual processing of weekly unemployment insurance claims forms. Currently approximately 5 minutes are allotted to process each form; the OCR can process forms about 300 times faster. Before the OCR, forms were manually reviewed, then a data entry operator keyed information from each document into the computer. This operation will be greatly streamlined. As the form passes through the OCR, the data are optically read, converted to computer language on magnetic tape, and the form is microfilmed. The OCR can read up to 360 machine or hand written character patterns.

For the recipient of unemployment benefits, the new system will issue checks with less delay. Staff shortages and other office crises will not affect the OCR. Claimants will be automatically notified by the computer within a week if there is a problem on their claim.

Eventually, employer quarterly tax reports will be processed by OCR, greatly reducing handling time and keypunch errors. The OCR will alleviate the pinch of budget reductions while increasing our quality of service to the taxpayer.□

HOURS & EARNINGS – MARKET EXPECTATIONS

Mark Hunt

The market place is forever striving for a balance between supply and demand. Should buyers find their desires out of step with what is available or the producer/seller be unable to reasonably predict demand and price for what is offered, a disequilibrium will result. Interject a multitude of external variables and the dynamics of supply and demand become anything but simple. Oregon's economy, for better or worse, is part of this topsy-turvy world and can exert little control over the ups and downs of the national and international markets in which it participates.

With little control over market forces, participants must rely on their expectations to make those critical buy and sell decisions. These decisions can spell the difference between success and failure. A measure of employer expectations is possible by tracking changes in workweek averages and employment levels. A test of the confidence in employer expectations is also possible. Simply put, employers will choose to initially increase hours worked by existing staff before hiring additional workers to increase output. The reasons are purely economic. It is more cost effective in the short run to work longer hours than to prematurely incur the long run costs (training, taxes, equipment) of hiring a new employe. Conversely, employers will also choose first to reduce the average workweek before cutting employes. This minimizes future costs such as retraining and unemployment insurance, and "protects" the jobs of those on the payroll - the altruistic motive.

These confidence indicators are well illustrated during the sharp turnaround experienced last year by Lumber and Wood Products. Escalating residential construction activity spurred an upsurge in demand and price evoking nearly a 30% increase in production output by Oregon mills. Favorable prices and increased product demand initially translated to a longer workweek during the early months of 1983. This was followed closely by hiring more workers to maintain output levels while reducing the costs associated with overtime scheduling. Still, because of the severity of the downturn, reliance remained focused on extended overtime hours to maintain production levels. The wisdom of this decision became evident during the second half of 1983, when prices headed downward. Average weekly hours slipped but with less disruption to employment than might have been expected.

Prices for Lumber and Wood Products started off well again in 1984, then began a two month slide. Uncertainty has again left employers reluctant to hire, relying instead on changes in workweek scheduling to accommodate production needs. The .9 increase in hours in the wood products industry for April was in response to an upswing in orders but lacked the surety necessary to add more employes.

Increased production activity has taken hold in Other Durable Goods such as Machinery and Primary Metals. Demand for basic metals to repair or replace plant and equipment has boosted weekly hours for Primary Metals by 3.9 over year ago levels. The infusion of 1,300 additional workers over the year pushed hourly earnings $.79 lower. Sharing a like increase in production worker employment, Machinery also posted strong gains in its workweek average. Outlays for cost-cutting technology and capital goods are climbing as firms strive to improve productivity and lower production costs. The net result has been an increase in orders for Oregon's high-tech manufacturers. Though the influx of new employes has held hourly earnings down, demand has been sufficient to sustain workweek averages above the 40 hour benchmark, so far in 1984. The added bonus is that such expansion may foster additional growth and diversity.

Construction in Oregon continues to suffer. High interest rates are a major problem that has been compounded by the outmigration of those unable to find work. The net effect on residential construction is a double whammy of too few people able to afford the costs of borrowing and a glut of existing homes left vacant by those leaving. This has left construction at historic lows for both employment and hours worked. The singular bright spot over the past several months has been Heavy Construction, where policy decisions to refurbish the state's roads and bridges provided the impetus for improvement.

The average workweek for Trade rose .9 in April, but belies a recent softening in consumer demand. One bright spot has been auto sales, which is 13% ahead of year ago levels. Weekly hours in Wholesale Trade have actually shown an over the year decline of .6. As confidence in the recovery grows, those sectors affected by consumer spending can also be expected to benefit.

The problems faced by Oregon industries are not likely to disappear soon. The healing process is a protracted affair with the transition from recession to prosperity bound to have a few bumps along the way. □

AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS 1/

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	Apr.2/ 1984	Mar.3/ 1984	Apr. 1983	Apr.2/ 1984	Mar.3/ 1984	Apr. 1983	Apr.2/ 1984	Mar.3/ 1984	Apr. 1983
TOTAL MANUFACTURING 4/	$412.38	$408.97	$399.50	39.5	39.4	38.9	$10.44	$10.38	$10.27
Durable Goods	425.25	417.35	414.32	40.5	39.9	39.8	10.50	10.46	10.41
Lumber & Wood Products	440.92	430.75	432.42	40.6	39.7	40.3	10.86	10.85	10.73
Logging & Sawmills	469.68	454.28	464.94	40.7	39.4	40.5	11.54	11.53	11.48
Veneer & Plywood	452.50	444.85	431.58	41.4	40.7	40.6	10.93	10.93	10.63
Millwork & Struct Wood	322.10	335.62	317.77	38.3	39.3	38.8	8.41	8.54	8.19
Mobile Homes	316.09	277.29	333.33	37.9	35.1	40.7	8.34	7.90	8.19
Other Wood Products	461.31	444.58	412.27	42.4	40.9	40.3	10.88	10.87	10.23
Furniture & Fixtures	244.14	264.88	253.23	31.1	34.4	34.5	7.85	7.70	7.34
Primary Metals	501.83	494.89	486.46	42.6	42.7	38.7	11.78	11.59	12.57
Fabricated Metals	382.78	380.62	392.83	38.9	38.1	39.8	9.84	9.99	9.87
Machinery	412.46	411.03	401.66	41.0	40.1	38.0	10.06	10.25	10.57
Nondurable Goods	374.78	383.55	356.93	36.6	37.9	36.2	10.24	10.12	9.86
Food & Kindred Products	309.56	308.60	294.46	34.9	35.8	34.4	8.87	8.62	8.56
Canning & Preserving	248.74	251.08	222.22	32.6	34.3	31.7	7.63	7.32	7.01
Other Food Products	401.66	392.27	395.75*	38.4	37.9	38.2	10.46	10.35	10.36
Textile Mill Products	223.80	225.62	215.57	37.3	38.7	36.6	6.00	5.83	5.89
Apparel	211.76	210.60	192.95	36.7	38.5	36.2	5.77	5.47	5.33
Paper & Allied Products	574.24	570.21	542.84	40.9	41.2	41.0	14.04	13.84	13.24
Printing & Publishing	374.42	443.87	376.53	34.1	38.1	33.8	10.98	11.65	11.14
Construction 4/	486.25	483.31	497.06	32.7	32.7	31.7	14.87	14.78	15.68
Communications & Utilities 5/	470.73	476.08	444.29	39.0	38.8	38.6	12.07	12.27	11.51
Trade 5/	294.46	283.41	279.96	34.4	33.5	34.1	8.56	8.46	8.21
Wholesale Trade	390.10	379.01	379.39	37.8	37.6	38.4	10.32	10.08	9.88
Retail Trade	247.54	237.20	231.68	32.7	31.5	32.0	7.57	7.53	7.24
Banking & Insurance	281.00	274.15	264.97						
State & Local Government	315.55	316.16	303.68						

1/ Figures are average gross hours and earnings of full and part-time worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1972 Standard Industrial Classification (SIC) codes.
2/ Preliminary
3/ Revised
4/ Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.
5/ Data for nonsupervisory employes only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.

OREGON LABOR AREA UNEMPLOYMENT RATES

Graham Slater

The April issue of Oregon Labor Trends contained a table comparing 1982 and 1983 average unemployment rates for each state across the nation. This month's issue contains a similar table for the counties and labor market areas of Oregon. Few people give thought to the varying circumstances across the state. But consider a Baker County resident who may not be too thrilled to hear that the statewide rate fell to 10.8% when his home county is experiencing unemployment in excess of 17%! Why is there such a range of rates across the state? What do those counties with the highest rates have in common? Why have some counties suffered so little? Let us briefly address these and other questions.

The first point to note is that although 1983 showed some improvements over 1982, in most areas the recovery is by no means complete, employment being well below pre-recession levels. Due to the distribution of the labor force around the state, only 9 areas lie below the statewide unemployment rate while 22 have rates which exceed it.

The second point to understand is that the rise and fall of the lumber and wood products industry affects the economy of almost every area of the state. In general, high unemployment rates have been linked to decreasing employment in this industry (which may have a ripple effect on other industries in the area), and areas showing improvement are those experiencing significant increases in their lumber employment.

Baker County, with by far the worst unemployment rate in the state, experienced problems in lumber and wood. But even when that industry began to improve, cattle prices stayed low and reduced the spending power of many local residents. This adversely affected trade and services employment which dropped by 100 and 90 respectively in 1983. Mining and quarrying employment was also down due to low mineral prices and low levels of construction activity. One more unique factor in Baker County was the willingness of the population to stay in the county and wait for things to improve. Many areas with similarly high unemployment rates experienced significant out-migration but Baker's population held steady.

The next group of counties can all relate their rates directly or indirectly to lumber and wood. Coos County experienced losses of government jobs in federal forestry programs, an indirect result of the lumber decline. Harney's unemployment rate was affected more directly, reaching 23.1% in May 1983. Grant County suffered more than most - rates were consistently above 20%, peaking at 26.9%, but this county does offer a spark of hope for the future: A new mill is scheduled to open within the next few weeks.

Some counties which experienced improvements in their lumber employment in 1983 found their recovery marred by problems in other sectors. Coos was an example. Linn County suffered from declining employment in primary metals and machinery, while construction was stable at less than half its pre-recession levels. Hood River County enjoyed good recoveries in lumber and trade, as well as a strong fresh fruit market, but was hurt by the closure of a cannery contributing to the loss of almost 300 seasonal jobs. Moving on down the list, declines in employment slowed the recovery trend in Douglas (primary metals), Tillamook (government and service) and Clatsop (food products).

Two areas not as dependent on lumber and wood products found that they were not exempt from the effects of the recession. Malheur suffered losses in food products, trade and services. Though these improved toward the end of 1983, Malheur's unemployment rate increased more than any area of Oregon between 1982 and 1983. Wasco/Sherman enjoyed improvements in food processing and services, but these were partially offset by a fall in aluminum smelting employment.

Oregon Local Area Unemployment Rates 1983 & 1982

County	1983 Rank	1983	1982	Change
Oregon	--	10.8	11.5	-0.7
Baker	1	17.3	16.6	0.7
Coos	2	14.3	14.3	0.0
Harney	3	14.2	14.1	0.1
Grant	4	13.9	20.4	-6.5
Linn	5	13.5	15.0	-1.5
Hood River	6	13.2	14.8	-1.6
Josephine	7	12.8	15.2	-2.4
Deschutes	8	12.7	16.0	-3.3
Douglas	8	12.7	17.2	-4.5
Tillamook	10	12.5	15.8	-3.3
Curry	11	12.3	16.3	-4.0
Malheur	12	12.1	10.2	1.9
Wasco/Sherman	13	11.9	12.7	-0.8
Clatsop	14	11.8	12.4	-0.6
Yamhill	14	11.8	12.1	-0.3
Medford MSA (Jackson Co.)	16	11.7	14.4	-2.7
Klamath	17	11.6	14.0	-2.4
Crook	18	11.5	18.0	-6.5
Umatilla	19	11.4	11.8	-0.4
Eugene/Springfield MSA	20	11.2	12.5	-1.3
Lake	21	11.0	13.0	-2.0
Lincoln	21	11.0	11.4	-0.4
Wallowa	23	10.6	11.4	-0.8
Jefferson	24	10.4	10.2	0.2
Wheeler	25	10.3	10.0	0.3
Union	26	10.2	12.9	-2.7
Portland MSA	27	10.1	10.1	0.0
Salem MSA	27	10.1	10.5	-0.4
Columbia	29	9.9	12.3	-2.4
Morrow	30	9.3	10.4	-1.1
Benton	31	6.2	6.5	-0.3
Gilliam	32	6.0	5.9	0.1

Much of the previous discussion has centered on lumber and wood products. Some areas, however, have a sufficiently diverse economy that the problems specific to this industry do not dictate their entire economic outlook. Salem MSA and Portland MSA, which ended 1983 with identical annual average rates, are examples of this. They have some stable and consistent employment stemming from a broad economic base. The table does hide certain structural changes in the unemployment rates however. Both areas experienced improvements in lumber and wood, trade and services. Construction and finance employment however fell in Salem, and durable goods manufacturing as a whole fell in Portland.

The final four counties, all having annual averages under the double digit level, each has some unique characteristic. Columbia County's rate improved in part due to a lumber and wood recovery, but also due to a population decrease and an increasing number of commuters traveling to the Portland and Longview/Kelso labor markets. Morrow, growing rapidly before the recession, saw a maximum rate of 14.0%. Consistent agricultural employment combined with improvements in food products employment have helped this county through the recession.

Benton County and the Eugene/Springfield MSA have one thing in common - a University, which in both cases has provided stability and prevented much higher rates from prevailing. Educational employment accounts for 15% of Eugene's wage and salary employment and 25% of Benton's compared to 9.5% statewide.

Gilliam County has survived the recession better than any other county. It relies mostly on agriculture for industry, and has been able to adequately support and employ its population.

Is the overall picture bright? The temptation is to oversimplify. Improvements were made in most counties in 1983, but few changes were significant enough to be really convincing. However, a few counties did offer real hope, in some very different ways. Deschutes saw improvements in four major areas, a good sign for this fast growing area. Crook and Grant Counties proved that even those areas heavily dependent on lumber and wood can make an impressive recovery, both improving their rates by 6.5 percentage points.

Union County is worthy of mention because its mills were able to continue production, albeit at lower levels, all through the recession with no major layoffs. Thus, when the recovery started production increased rapidly, helping the area to move quickly toward a real improvement in its own economy. Jefferson County provides our other sign of hope. Due in part to a fairly diverse economy, employment levels in Jefferson are only marginally short of pre-recession levels, something which can be said of very few areas statewide.

These unemployment rates are still too high. But our situation can continue to improve so long as demand for and employment in lumber and wood products at least maintains. If interest rates are controlled, construction will be encouraged and demand for Oregon's major product will ensure that our 1984 annual average rates show significant declines from the 1983 levels.□

NEW PUBLICATIONS

Earlier this year the Oregon Employment Division's Research and Statistics section published sixteen Economic Survey Analysis reports intended primarily to support program planning under the Job Training Partnership Act (JTPA). These comprehensive reports included data and analysis on population, labor force, industry, occupations, income, and wages for counties and groups of counties in Oregon.

For those who are interested only in a summary of the major trends, the Division has prepared brief Executive Summaries for each of these economic reports. A limited number of copies are available upon request.□

OREGON LABOR TRENDS

The Oregon Labor Trends is published monthly by the Research and Statistics Section of the Oregon Employment Division, Raymond P. Thorne, Administrator.

Send comments, questions, and address changes ATTN: R&S-LMI or Phone (503) 378-8657 or toll free 1-800-237-3710 ext. 8-8657.

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DEPARTMENT OF HUMAN RESOURCES
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STATE OF OREGON • EMPLOYMENT DIVISION • DEPARTMENT OF HUMAN RESOURCES

JULY 1984

OREGON LABOR TRENDS

JUNE INDICATORS

UNEMPLOYMENT RATE

Oregon	S.A.
June '84	9.3
May '84	9.1
U.S.	
June '84	7.1
May '84	7.5

WAGE AND SALARY EMPLOYMENT INDEX

Oregon 1977=100

June 1984:	105.6
May 1984:	105.9
Apr. 1984:	106.0
Mar. 1984:	106.0
Feb. 1984:	106.0

DIFFUSION INDEX

Oregon

June 1984:	54.3
May 1984:	57.0
Apr. 1984:	63.6
Mar. 1984:	65.9
Feb. 1984:	62.8

PRODUCTION WORKER AVERAGE WEEKLY HOURS

Oregon

May 1984:	39.5
Apr. 1984:	39.5
May 1983:	39.0

CONSUMER PRICE INDEX (CPI)

1967=100

ALL URBAN CONSUMERS

Portland SMSA	
May 1984	301.9
Yearly Change	+ 4.6%
U.S.	
June 1984	310.7
Yearly Change	+ 4.2%

Portland Hotline 221-4132

MONTHLY ECONOMIC ANALYSIS

Graham Slater

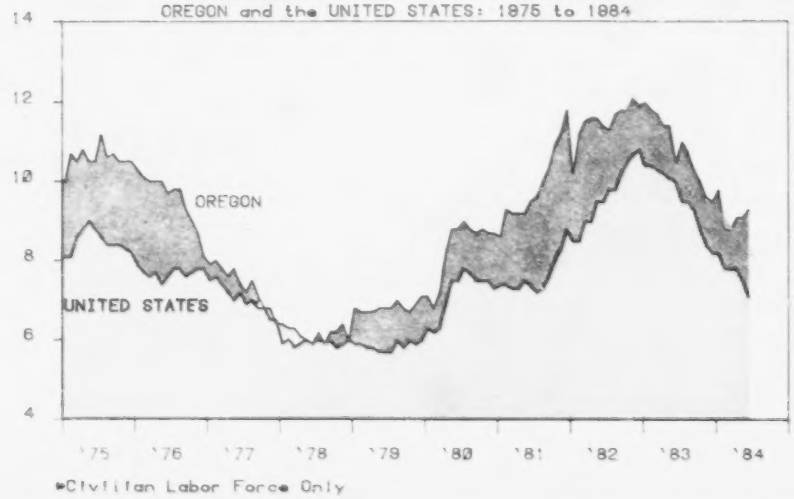
"Summertime ... and the livin' is easy". Oregonians may be forgiven for doubting the validity of these famous words after the wettest June since 1937 ended with less-than-encouraging economic news.

The seasonally adjusted unemployment rate for Oregon rose to 9.3% in June from 9.1% in May. June's rise was particularly disappointing after the 8.8% rate of February and March. Total employment increased by a little over 25,000, but the number of unemployed also rose by 200, running counter to the improvement expected at this time of year. To give a longer term perspective on these data, the unemployment rate in June 1983 was 10.5%.

Nationally the June civilian rate was 7.1%, down from 7.5% in May, adding weight to suggestions that Oregon's recovery is slipping behind the much-heralded national improvements.

The Oregon Diffusion Index, considered an important indicator of both short and long-term employment trends, fell to 54.3 in June. Though this is the third consecutive month in which the index has fallen, it is also the 16th consecutive month above 50.0, an encouraging sign of a growing economy. However, if the index continues to deteriorate and falls below 50.0, particularly over several months, this would be a worrisome sign as we look toward late 1984 and 1985.

SEASONALLY ADJUSTED UNEMPLOYMENT RATES*
OREGON and the UNITED STATES: 1975 to 1984



*Civilian Labor Force Only

RESIDENT OREGON LABOR FORCE

	June 1984 1/	May 1984 2/	Change	% Change	June 1983 5/
Civilian Labor Force 3/	1,341,300	1,315,400	25,900	2.0	1,379,200
Unemployment	123,100	122,900	200	0.2	140,500
Percent of Labor Force	9.2	9.3	xxx	xxx	10.2
Seasonally Adjusted Percent	9.3	9.1	xxx	xxx	10.5
Total Employment 4/	1,218,200	1,192,500	25,700	2.2	1,238,700

1/ Preliminary. 2/ Revised. 3/ Includes employed and unemployed individuals 16 years and older. Data are adjusted for multiple job-holding and commuting. 4/ Includes nonagricultural wage and salary, self-employed, unpaid family workers, domestics, farm workers, and labor disputants. 5/ Due to revised estimating procedures between December 1983 and January 1984, data for 1984 and that of previous years are not strictly comparable.

NONAGRICULTURAL WAGE & SALARY EMPLOYMENT
(By Place of Work)

INDUSTRY	June 1984 1/	May 1984 2/	June 1983	Change From May 1984	Change From June 1983
TOTAL 3/	1,006,400	993,900	988,900	12,500	17,500
Wage & Salary Employment Index 4/	105.6	105.9	104.1	xxx	xxx
Diffusion Index 5/	54.3	57.0	63.5	xxx	xxx
Total Manufacturing	199,000	195,600	192,800	3,400	6,200
Durable Goods	144,900	143,300	137,200	1,600	7,700
Lumber & Wood Products	66,600	65,300	65,100	1,300	1,500
Logging & Sawmills	35,000	33,700	34,300	1,300	700
Veneer & Plywood	17,300	17,400	17,800	- 100	- 500
Millwork & Structural Wood	8,500	8,400	7,700	100	800
Mobile Homes	1,800	1,800	1,600	0	200
Other Wood Products	4,000	4,000	3,700	0	300
Furniture & Fixtures	2,100	2,200	2,400	- 100	- 300
Stone, Clay, Glass, & Concrete	3,300	3,100	3,200	200	100
Primary Metals	8,700	8,800	7,400	- 100	1,300
Blast Furnaces, Iron & Steel	4,800	4,800	3,900	0	900
Nonferrous Metals	3,900	4,000	3,500	- 100	400
Fabricated Metals	10,000	9,800	9,400	200	600
Fabricated Structural Metals	4,500	4,400	4,200	100	300
Other Fabricated Metals	5,500	5,400	5,200	100	300
Machinery	16,100	15,900	15,100	200	1,000
Electrical Equipment & Supplies	12,600	12,200	10,400	400	2,200
Transportation Equipment	8,400	8,900	7,300	- 500	1,100
Instruments & Related Products	14,600	14,600	14,600	0	0
Miscellaneous Manufacturing	2,500	2,500	2,300	0	200
Nondurable Goods	54,100	52,300	55,600	1,800	- 1,500
Food & Kindred Products	22,900	21,700	26,100	1,200	- 3,200
Canning & Preserving	12,800	11,400	16,100	1,400	- 3,300
Other Food Products	10,100	10,300	10,000	- 200	100
Textile Mill Products	1,800	1,800	1,600	0	200
Apparel	2,800	2,700	2,500	100	300
Paper & Allied Products	9,600	9,300	9,400	300	200
Printing & Publishing	11,000	10,800	10,200	200	800
Chemicals & Allied Products	2,300	2,300	2,200	0	100
Petroleum Refining	500	500	500	0	0
Rubber & Plastic Products	2,700	2,700	2,600	0	100
Leather Products	500	500	500	0	0

NONAGRICULTURAL WAGE & SALARY EMPLOYMENT
(By Place of Work)

INDUSTRY	June 1984	May 1984	June 1983	Change From May 1984	Change From June 1983
(cont.)					
Total Nonmanufacturing	807,400	798,300	796,100	9,100	11,300
Mining & Quarrying	2,200	2,000	1,800	200	400
Construction	28,100	25,800	27,600	2,300	500
Transportation, Communications, & Utilities	56,000	55,600	55,900	400	100
Transportation	33,300	33,000	31,900	300	1,400
Railroad	5,500	5,400	5,400	100	100
Trucking & Warehousing	17,500	17,200	16,700	300	800
Other Transportation	10,300	10,400	9,800	- 100	500
Communications	14,300	14,300	15,200	0	- 900
Utilities	8,400	8,300	8,800	100	- 400
Trade	252,100	248,300	246,300	3,800	5,800
Wholesale Trade	63,600	62,900	62,500	700	1,100
Durable Goods	37,600	37,100	37,000	500	600
Nondurable Goods	26,000	25,800	25,500	200	500
Retail Trade	188,500	185,400	183,800	3,100	4,700
General Merchandise	24,400	24,200	23,300	200	1,100
Food Stores	28,100	27,600	28,300	500	- 200
Auto Dealers & Service Stations	23,700	23,500	22,400	200	1,300
Other Retail Trade	112,300	110,100	109,800	2,200	2,500
Finance, Insurance, & Real Estate	66,500	66,300	65,500	200	1,000
Banking & Credit Agencies	23,400	23,500	23,400	- 100	0
Other Finance, Insurance, & Real Estate	43,100	42,800	42,100	300	1,000
Services	201,400	199,700	197,200	1,700	4,200
Hotels & Personal Services	25,100	24,000	23,900	1,100	1,200
Health Services	68,500	67,900	67,100	600	1,400
Other Services	107,800	107,800	106,200	0	1,600
Government	201,100	200,600	201,800	500	- 700
Federal Government	30,200	29,500	30,300	700	- 100
State Government	53,700	53,000	54,100	700	- 400
Education	22,800	22,900	22,400	- 100	400
Other State	30,900	30,100	31,700	800	- 800
Local Government	117,200	118,100	117,400	- 900	- 200
Education	74,900	76,100	74,300	-1,200	600
Other Local	42,300	42,000	43,100	300	- 800
Labor-Management Disputes	600	600	700	0	- 100

1/ Preliminary

2/ Revised

3/ Includes full and part-time nonfarm wage and salary workers in pay periods including the 12th of the month. Proprietors, self-employed, private household workers and armed forces excluded. NOTE: Estimated in cooperation with the U.S. Bureau of Labor Statistics and Employment and Training Administration. All data are based on the 1972 Standard Industrial Classification (SIC) codes as amended by the 1977 supplement.

4/ Total nonagricultural wage and salary employment, seasonally adjusted, and indexed to 1977. Data on the earlier index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of .8264, the ratio between 1972's annual average employment (774,300) and that of 1977 (936,900).

5/ The diffusion index is the percentage of a selected group of 43 industries showing an increase in seasonally adjusted employment. Half of those industries showing no significant change (less than 1/2 of 1%) are counted as increasing.

The Nonagricultural Wage and Salary Employment Index fell from its May level of 105.9 to 105.6 in June, compared to 104.1 in June 1983. Nonfarm wage and salary employment actually grew by 12,500 from May to June, moving past the million mark for the first time since November 1981. However, the increase in employment was not as large as seasonally expected, and therefore the index took a tumble. Small improvements appeared to be the story for the month. Unfortunately, none were large enough to be attributed to economic improvements rather than normal seasonal fluctuations.

In the manufacturing sector economic news was dominated by two industries: Lumber and Wood Products and Food and Kindred Products. In the Lumber and Wood industry 1,300 new employees were added during the month, but this figure is less than half the number expected in June. Also, lumber prices have fallen substantially since earlier this year. A variety of reasons offered for this discouraging turnabout from the optimistic scenario of a few months ago are:

- Interest rates continued to rise with the Prime Rate reaching 13% in June reinforcing producers fears that predictions of further increases may be accurate.

- Inventories, built up rapidly when recovery seemed assured, now look too high and uneasy producers are eager to reduce them.

- Housing starts, affected by both interest rates and the weather, have fluctuated wildly in recent months. Seasonally adjusted, the housing starts rate plummeted 26.6% in March, jumped to 19% in April, then fell again in May by 10.5%. Also, the mix of housing starts has changed to include a greater percentage of multi-family units, which require one-third less material in construction.

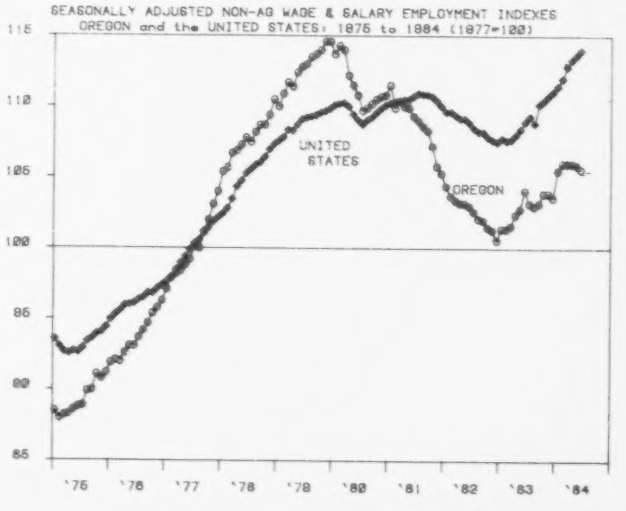
Despite all these problems, the feeling within the industry seems to be that scheduled mill closures for vacations and repairs will at least help bring down inventories. This should mean that long-term mill closures will not be widespread.

Other Durable Goods industries within the manufacturing sector were much more stable. The Electrical Equipment and Supplies industry increased employment by 400 over the month and by 2,200 over the year. Other notable increases occurred in Fabricated Metals and Machinery (both +200). Transportation Equipment was the main loser, down 500 over the month, but still 1,100 above year ago levels. All these industries combined to give the Other Durable Goods manufacturers a seasonally adjusted gain of 100 over the month.

In Food and Kindred Products, employment climbed by 1,200 through June, but we would normally expect a rise in this industry of 2,700. The weather, starting with a freezing December, was the main cause of the employment shortfall . Then a cold and wet April and May led to a June which accumulated 4.19 inches of rain, almost 3 inches above normal. All of this unfavorable weather delayed the harvesting of early ripening crops such as strawberries and cherries. The move toward frozen foods has smoothed out some of the seasonal swings. The industry, however, still experiences significant employment swings from winter into summer, and throughout the various harvest seasons. Employment in this industry was more than 3,000 below the 1983 level.

The overall picture in nonmanufacturing was much more positive. Even so, seasonally adjusted Government employment took a big dive, dropping by 1,200 employees. Most of this was a result of shrinking summer work programs coupled with the general uncertainty over future funding.

Better news prevailed in the Construction industry where 2,300 employees were added over the month - a significant increase of 700 after seasonal adjustment. Much of this increase came in the area of Heavy Construction (+1,100) and Specialty Trades (+500). The improvements in this industry would be even more substantial were it not for the continuing slowness of the housing market. Fortunately, the month of May continued to give encouraging news in the commercial/industrial construction market, with a hefty increase in the number of new permits



filed. In addition, the State Department of Transportation announced early in June that $150 million will be allocated for highway maintenance and new construction during the remainder of 1984. This could provide a major boost to hard-pressed construction companies.

The largest single employment gain came in the Trade sector, with a jump of 3,800 jobs. Though some increase is always anticipated at this time of year, this gain was 1,100 more than expected. Two main reasons stand out. First, consumers are ready to buy major items ranging from automobiles to VCRs to sporting goods. In short, all those postponed purchases are now being bought with vigor, increasing demand for credit as well as for the goods themselves. Second, the vacation season is upon us and from Eastern Oregon to the coast, the hope is for a record-breaking year. Local residents are being encouraged to vacation at home and experience the delights of their own state as part of a summer campaign by the Oregon Economic Development Department's Tourism Division. In addition, a large number of out-of-state visitors are anticipated, partly as a spinoff of the Summer Olympics in Los Angeles. Employment in Services increased by 1,700 (the largest June increase since 1974) as hotels and motels geared up for the influx of tourists. Significant employment gains were also found in eating and drinking establishments. The optimism surrounding tourism is also reflected outside the Trade and Services sectors. In Central Oregon alone, tourism-related construction projects worth $14.6 million were announced during the first three months of 1984.

A major point of interest during the coming months will be Oregon's ability to attract new and more diverse industry to the area. In May, Nippon Electric Co. America announced plans to build a plant in Hillsboro which will employ 300 people by 1987. Good news followed good news as National Semiconductor Corp. announced more immediate plans to open a research and development laboratory northwest of Portland this summer. The plant will employ "a few dozen people" initially, growing to 100 "when things get rolling".

In conclusion, June was a month when Oregon's economy did not make much headway. There was nothing to suggest that disaster hovers nearby, but the gradual slippage over several months does indicate that the recovery is losing momentum. Interest rates will remain the crucial factor throughout the year. Other important factors will be Oregon's continuing ability to attract a diverse variety of industries and the ability of the Lumber and Wood Products industry to come out of the recession with more efficient plants and perhaps even some improved product ideas.□

HOURS AND EARNINGS

Mark Hunt

For some, the future will be difficult. An unbalanced U.S. fiscal policy burdens Oregon's economy, leaving it and the rest of the Pacific Northwest playing catch up to other regions of the nation in terms of development and recovery of basic industries. The long-term impact of the recession has also created some discomfort which may be considered beneficial to the state and region. Economic growth is not easy, especially when it involves structural changes such as the evolution of industries requiring new skills of an already skilled labor force. Orienting a labor force away from declining industries is not easy, but does offer more security through diversification. Eroding dominance of traditional industries is not all bad either. Institutions such as Oregon's Lumber and Wood Products industries will survive - and survive more competitively!

Oregon is subject to external forces such as the interest rate tightrope over which the state has little control. Oregon's future strength lies in the structural changes now occurring, not only in the ebb and growth of basic industries, but also in the labor force as well. Currently, Oregon rates very near the top in average hourly earnings for the nation. The severity of the recession boosted the earnings rate even higher by reducing openings for lower paid new entrants into the workforce. These high earnings have been both a blessing and a millstone. Structural changes in wage rates have occurred. Of note are the Construction and Food Processing sectors which negotiated decreases in wage rates. Added to this are the large number of workers who took pay cuts so that employers could remain in operation.

Leaner, more efficient companies are now trying to plan ahead. Should they look forward to continued growth such as has occurred over the past 18 months, or brace themselves for still higher interest rates and thus declining revenues? Because of the structural changes occurring and the different direction this recovery is taking, largely due to changes in national policy, the time-honored answers may no longer apply.

Oregon's Lumber and Wood Products industry walks an interest rate tightrope that has below it falling demand and prices. As one industry economist put it, "There's just too much supply chasing the market". The result has been a modest decline in the work week average and less than normal hiring by many. Further corrections to the oversupply problem are expected as firms plan for scheduled vacation and maintenance shutdowns which may be extended.

While Lumber and Wood Products is having its problems, Other Durables is showing surprising strength. Manufacturers of capital goods have plenty to do as evidenced in the work week averages. All sectors except Furniture and Fixtures hover very near or above the 40 hour benchmark. Nationally, orders for durable goods rose an impressive 3.3 percent. Even though interest rates are high, the actual impact on buyers of capital goods is not so direct. Faster depreciation allowances, purchases financed from increased profits, and incentives to replace worn out equipment offer the drive behind the increased activity.

Recent cutbacks by the aluminum industry do warrant a word of caution, however. Rising interest rates may push real costs to the point where demand for capital expenditures is stifled. Prudent participants among Oregon's Other Durable producing firms will likely continue to expand -- but conservatively.

May was a good month for many food processing firms. Average hourly earnings fell $.07 in Canning and Preserving, while weekly hours climbed 1.5. This good fortune was not shared equally by all food processors. Tough times for Seafood processors and specialty foods dimmed what otherwise might have been an even brighter report for Food and Kindred Products.

Increased demand for natural fiber products and recreational apparel has beefed up order files for Textile and Apparel manufacturers. Evidence of growing demand is also reflected by workweek averages that have climbed 2.0 hours for each sector over the year.

Hourly earnings for Construction workers fell $.48 from April to May. Falling earnings stem from two factors: first, the addition of 1,800 workers, and second, the reduction in wage scales by numerous crafts. The work week average has also remained soft because of the weakness still evident in residential construction. However, some improvement has occurred from the increase in commercial and public works projects. Not all construction activity shares the same degree of interest sensitivity. Funding sources play an important role as well. Bond issues, gas tax revenues, and institutional loans supply the funding for construction projects. The long lead time for commercial projects insulates these activities somewhat from recent jumps in interest costs, so the spread between Heavy and Residential Construction can be expected to grow.

Trade activity hit a lull in May, with hourly earnings, weekly hours, and production worker employment all reporting modest losses. However, buried among the reported figures are encouraging signs of strength, especially in those areas linked to rising tourism and recreational activities.□

AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS 1/

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	May 2/ 1984	Apr. 3/ 1984	May 1983	May 2/ 1984	Apr. 3/ 1984	May 1983	May 2/ 1984	Apr. 3/ 1984	May 1983
TOTAL MANUFACTURING 4/	$413.96	$412.38	$401.70	39.5	39.5	39.0	$10.48	$10.44	$10.30
Durable Goods	426.78	424.60	415.91	40.3	40.4	39.8	10.59	10.51	10.45
Lumber & Wood Products	440.88	439.43	439.43	40.3	40.5	40.5	10.94	10.85	10.85
Logging & Sawmills	474.78	464.94	473.34	41.0	40.5	40.7	11.58	11.48	11.63
Veneer & Plywood	446.22	456.09	435.49	40.9	41.5	40.7	10.91	10.99	10.70
Millwork & Struct Wood	311.22	320.12	317.38	36.7	38.2	38.8	8.48	8.38	8.18
Mobile Homes	294.79	309.00	348.57	34.6	37.5	41.3	8.52	8.24	8.44
Other Wood Products	451.66	464.95	425.49	40.8	42.5	40.6	11.07	10.94	10.48
Furniture & Fixtures	260.10	248.06	279.82	32.8	31.4	35.6	7.93	7.90	7.86
Primary Metals	498.53	498.31	495.46	42.5	42.7	39.7	11.73	11.67	12.48
Fabricated Metals	378.88	382.78	396.50	39.1	38.9	40.5	9.69	9.84	9.79
Machinery	411.26	414.32	391.40	40.8	40.9	38.0	10.08	10.13	10.30
Nondurable Goods	376.84	375.07	360.14	37.2	36.7	36.6	10.13	10.22	9.84
Food & Kindred Products	312.38	312.93	303.58	35.7	35.2	35.3	8.75	8.89	8.60
Canning & Preserving	263.31	254.21	231.57	34.6	33.1	32.8	7.61	7.68	7.06
Other Food Products	387.92	402.43	408.72	37.3	38.4	39.0	10.40	10.48	10.48
Textile Mill Products	228.92	223.94	211.45	37.9	37.2	35.9	6.04	6.02	5.89
Apparel	213.54	208.82	193.31	38.2	36.7	36.2	5.59	5.69	5.34
Paper & Allied Products	564.44	578.45	547.55	41.2	41.2	41.2	13.70	14.04	13.29
Printing & Publishing	403.20	370.36	374.00	35.0	33.7	34.0	11.52	10.99	11.00
Construction 4/	478.29	482.48	494.40	33.4	32.6	32.0	14.32	14.80	15.45
Communications & Utilities 5/	483.60	474.28	449.30	40.3	39.1	38.6	12.00	12.13	11.64
Trade 5/	285.60	290.19	281.47	34.0	34.1	34.2	8.40	8.51	8.23
Wholesale Trade	382.13	389.72	381.38	37.5	37.8	38.1	10.19	10.31	10.01
Retail Trade	238.37	241.60	232.88	32.3	32.3	32.3	7.38	7.48	7.21
Banking & Insurance	273.68	281.33	271.75						
State & Local Government	316.30	316.15	304.25						

1/ Figures are average gross hours and earnings of full and part-time worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1972 Standard Industrial Classification (SIC) codes.
2/ Preliminary
3/ Revised
4/ Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.
5/ Data for nonsupervisory employes only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.

LABOR SURPLUS AREAS

Graham Slater

Labor surplus areas are areas with high unemployment rates to which Federal contracts can be specifically directed. Rather than classifying these areas by metropolitan area or labor market area, the U.S. Department of Labor classifies them on the basis of civil jurisdictions. These are defined as all cities with a population of at least 50,000 and all counties.

A civil jurisdiction is classified as a labor surplus area when its average unemployment rate is at least 20 percent above the average unemployment rate for all states during the previous two calendar years. Two exceptions may occur during periods of high or low national unemployment. During periods of high national unemployment (national rate above 8.3%), an area is classified as a labor surplus area if its average rate is 10% or more. During periods of low national unemployment (national rate below 5.0%), a 6.0% 'floor' comes into effect. No area with an unemployment rate of less than 6.0% would be considered a labor surplus area.

Under certain very exceptional circumstances, an area not meeting any of the above criteria may be considered a labor surplus area if a significant increase in unemployment takes place which is not temporary or seasonal, and which was not reflected in the rate of the previous two years.

In 1982-83, the average unemployment rate for the U.S. was 9.6%. Therefore, the 10.0% 'ceiling' will be in effect. The following table lists those civil jurisdictions in Oregon with an average rate of 10.0% or more. These areas are expected to be classified as labor surplus areas for the fiscal year beginning October 1, 1984.

Note that this does not constitute an official list. However, if the criteria remain unchanged, the table does show which areas should be eligible for bidding preference on Federal contracts beginning October 1.□

1982-1983 Two-Year Average Unemployment Rate for Oregon Civil Jurisdictions

Civil Jurisdiction	Unemployment Rate
U.S.	9.6%
Oregon	11.2
Baker	17.0
Clatsop	12.1
Columbia	11.1
Coos	14.3
Crook	14.7
Curry	14.3
Deschutes	14.3
Douglas	14.9
Grant	17.1
Harney	14.2
Hood River	14.0
Jackson	13.1
Jefferson	10.3
Josephine	14.0
Klamath	12.8
Lake	12.0
Lane	11.8
Lane less City of Eugene	13.2
Lincoln	11.2
Linn	14.3
Malheur	11.2
Marion	10.5
Salem City	10.3
Marion less City of Salem	10.4
Multnomah	10.5
Portland City	10.9
Polk less City of Salem	10.1
Tillamook	14.2
Umatilla	11.6
Union	11.6
Wallowa	11.0
Wasco	12.7
Wheeler	10.2
Yamhill	12.0

NEW PUBLICATIONS

What occupations will be needed in 1990? The answer to this question is of vital interest to vocational program planners, job counselors, individuals making career decisions, and many others.

To help meet the need for information on tomorrow's labor market requirements, the Oregon Employment Division has published a report entitled Occupational Employment Trends in Oregon 1982-1990. This comprehensive report includes a general economic overview, employment projections by industry and occupation with supporting narrative analysis, and estimated annual job openings by occupations.

Similar reports are also being published for a number of local areas including:

District 2 - Portland MSA
District 3 - Marion, Polk, Yamhill
District 4 - Linn, Benton
District 5 - Lane
District 6 - Douglas
District 7 - Coos, Curry
District 8 - Jackson, Josephine
District 10- Crook, Deschutes, Jefferson
District 12- Gilliam, Grant, Morrow, Umatilla, Wheeler

These reports will be available in August. To obtain a copy of any of these reports, please contact:

Employment Division - R & S
875 Union St NE
Salem OR 97311
Telephone 373-1818
Toll free in Oregon: 1-800-237-3710 Ext 3-1818 □

THE EMPLOYERS CORNER

Dorothy Monnier

Twenty Job Service Employer Committees (JSECs) advise and critique the performance of the local employment office serving their area. In cooperation with your local JSEC, each issue of the Oregon Labor Trends features an article of special interest to employers.

On Friday, July 13, 1984 the Employment Division eliminated 188 staff positions. This work force reduction was the result of lower Unemployment Insurance (UI) workloads, shortage of UI Non-Personal Service (NPS) funds from the Department of Labor, a standstill Employment Service (ES) budget which does not account for increased costs, and the need to reduce management overhead. These cuts caused the most dramatic reorganization the Employment Division has undergone. Since July 13th, the Employment Division has been at the lowest ratio of management per staff since its creation.

The staff reduction included:

32.7	positions in Employment Service
151.7	positions in Unemployment Insurance
4.3	positions in other programs

As the UI workload increases in the fall and winter months, some production jobs will be restored and filled with seasonal employes.

Employment Division Administrator Ray Thorne appeared before the State Emergency Board on July 19 to request $1,306,223 spending authority from the Unemployment Insurance Penalty and Interest Funds. These monies are a special administration fund collected from Oregon employers who are late or delinquent in paying their U.I. taxes.

Thorne's request included $673,788 to cover the remaining deficit in UI/NPS funds, and $470,502 to restore 17 ES placement positions in the field. Job openings and placement activity have increased considererably this year.

Placement activity:	Job Openings	Placement Transactions
Year Ending June 30, 1983	50,770	37,780
Year Ending June 30, 1984	60,399	42,160

The request also included $161,933 to fund Targeted Jobs Tax Credit (TJTC) at its present level through the state biennium ending 6-30-85. Oregon employers have hired 11,222 employes eligible for TJTC who can potentially generate $50.5 million in tax credits. The Emergency Board approved the request as submitted.

The next "Employers Corner" will feature "The Future of the Employment Service". Become involved with this future by actively participating on your local JSEC. Contact your local office manager for further details.□

OREGON LABOR TRENDS

The Oregon Labor Trends is published monthly by the Research and Statistics Section of the Oregon Employment Division, Raymond P. Thorne, Administrator.

Send comments, questions, and address changes ATTN: R&S-LMI or Phone (503) 378-8657 or toll free 1-800-237-3710 ext. 8-8657.

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STATE OF OREGON
EMPLOYMENT DIVISION
DEPARTMENT OF HUMAN RESOURCES
875 UNION STREET N.E.
SALEM, OREGON 97311

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U.S.MAIL

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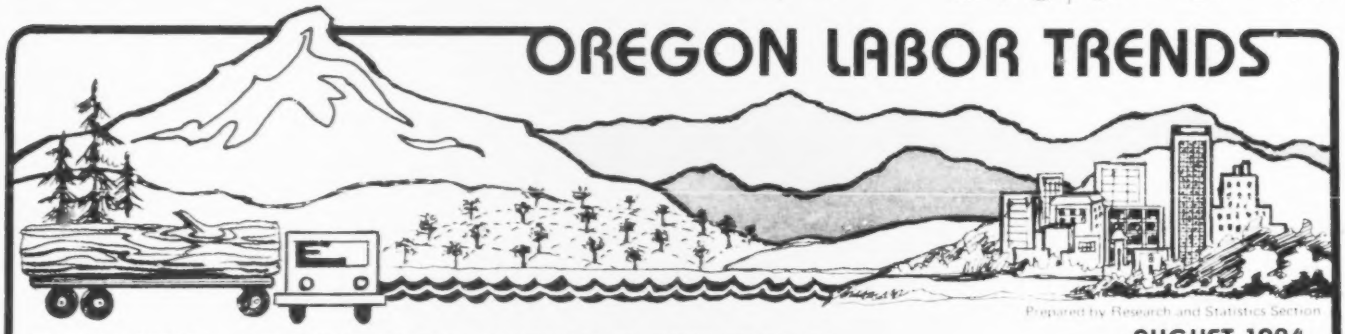
4520 EAST-WEST HIGHWAY
BETHESDA MD 20814

9/5/84 S6615-2 A

OREGON LABOR TRENDS



Prepared by Research and Statistics Section

STATE OF OREGON • EMPLOYMENT DIVISION • DEPARTMENT OF HUMAN RESOURCES

AUGUST 1984

JULY INDICATORS

UNEMPLOYMENT RATE

Oregon	S.A.
July '84	9.3
June '84	9.3
U.S.	
July '84	7.5
June '84	7.1

WAGE AND SALARY EMPLOYMENT INDEX

Oregon	1977=100
July 1984:	105.0
June 1984:	105.5
May 1984:	105.9
Apr. 1984:	106.0
Mar. 1984:	106.0

DIFFUSION INDEX

Oregon	
July 1984:	51.9
June 1984:	53.9
May 1984:	57.0
Apr. 1984:	63.6
Mar. 1984:	65.9

PRODUCTION WORKER AVERAGE WEEKLY HOURS

Oregon	
June 1984:	38.9
May 1984:	39.3
June 1983:	39.2

CONSUMER PRICE INDEX (CPI)

1967=100
ALL URBAN CONSUMERS

Portland SMSA	
July 1984	300.9
Yearly Change	+ 3.2%
U.S.	
July 1984	311.7
Yearly Change	+ 4.1%

Portland Hotline 221-4132

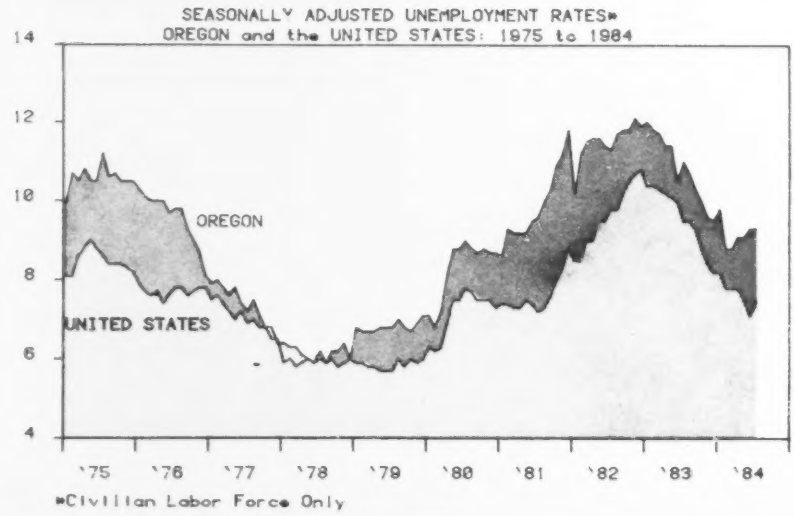
MONTHLY ECONOMIC ANALYSIS

Fred Klatz

Since early this year, the nation's unemployment rate and Oregon's rate have moved in opposite directions. Now with the increase in the national rate, they are both moving upward. The seasonally adjusted U.S. rate started in January at 7.9%, dropped to 7.7% in February, and stayed there through March and April. Then in May the U.S. rate dropped to 7.4%, followed in June by another sharp drop to 7.0%. In July this downward trend was sharply reversed when the rate climbed back to its May level of 7.4%.

Oregon's seasonally adjusted unemployment rates are not following the national trend very closely at all. Oregon started in January at 9.8% and dropped very sharply in February to 8.8% where it stayed, like the national rate, through March. However, in April, while the national rate stayed level, Oregon's rate climbed to 9.1% and remained there during May while the national rate dropped. In June, Oregon countered the national trend by moving up to 9.3% and remained there in July while the nation's rate moved upward.

Perhaps the July rise in the national rate is nothing more than a statistical aberration and the next month's figure will continue downward. Since the national rate was stuck at 7.7%



RESIDENT OREGON LABOR FORCE

	July 1984 1/	June 1984 2/	Change	% Change	July 1983 5/
Civilian Labor Force 3/	1,333,900	1,339,900	-6,000	-0.4	1,352,100
Unemployment	118,200	123,100	-4,900	-4.0	138,700
Percent of Labor Force	8.9	9.2	xxx	xxx	10.3
Seasonally Adjusted Percent	9.3	9.3	xxx	xxx	11.0
Total Employment 4/	1,215,700	1,216,800	-1,100	-0.1	1,213,400

1/ Preliminary. 2/ Revised. 3/ Includes employed and unemployed individuals 16 years and older. Data are adjusted for multiple job-holding and commuting. 4/ Includes nonagricultural wage and salary, self-employed, unpaid family workers, domestics, farm workers, and labor disputants. 5/ Due to revised estimating procedures between December 1983 and January 1984, data for 1984 and that of previous years are not strictly comparable.

NONAGRICULTURAL WAGE & SALARY EMPLOYMENT
(By Place of Work)

INDUSTRY	July 1984 1/	June 1984 2/	July 1983	Change From June 1984	Change From July 1983
TOTAL 3/	980,900	1,004,600	963,100	-23,700	17,800
Wage & Salary Employment Index 4/	105.0	105.5	103.2	xxx	xxx
Diffusion Index 5/	51.9	53.9	59.6	xxx	xxx
Total Manufacturing	199,500	197,900	191,700	1,600	7,800
Durable Goods	145,900	144,700	138,000	1,200	7,900
Lumber & Wood Products	66,800	66,600	65,800	200	1,000
Logging & Sawmills	35,700	35,100	34,400	600	1,300
Veneer & Plywood	16,600	17,300	18,300	- 700	- 1,700
Millwork & Structural Wood	8,800	8,600	7,900	200	900
Mobile Homes	1,800	1,800	1,500	0	300
Other Wood Products	3,900	3,800	3,700	100	200
Furniture & Fixtures	2,100	2,100	2,500	0	- 400
Stone, Clay, Glass, & Concrete	3,400	3,300	3,300	100	100
Primary Metals	8,900	8,700	7,500	200	1,400
Blast Furnaces, Iron & Steel	5,000	4,800	4,000	200	1,000
Nonferrous Metals	3,900	3,900	3,500	0	400
Fabricated Metals	10,000	10,100	9,600	- 100	400
Fabricated Structural Metals	4,600	4,600	4,400	0	200
Other Fabricated Metals	5,400	5,500	5,200	- 100	200
Machinery	16,100	16,100	15,000	0	1,100
Electrical Equipment & Supplies	12,700	12,600	10,400	100	2,300
Transportation Equipment	9,000	8,200	7,100	800	1,900
Instruments & Related Products	14,400	14,600	14,400	- 200	0
Miscellaneous Manufacturing	2,500	2,400	2,400	100	100
Nondurable Goods	53,600	53,200	53,700	400	- 100
Food & Kindred Products	22,700	22,100	24,300	600	- 1,600
Canning & Preserving	12,200	11,900	14,200	300	- 2,000
Other Food Products	10,500	10,200	10,100	300	400
Textile Mill Products	1,700	1,800	1,400	- 100	300
Apparel	2,700	2,700	2,200	0	500
Paper & Allied Products	9,700	9,600	9,500	100	200
Printing & Publishing	10,900	11,000	10,400	- 100	500
Chemicals & Allied Products	2,200	2,300	2,200	- 100	0
Petroleum Refining	500	500	600	0	- 100
Rubber & Plastic Products	2,700	2,700	2,600	0	100
Leather Products	500	500	500	0	0

NONAGRICULTURAL WAGE & SALARY EMPLOYMENT
(By Place of Work)

INDUSTRY	July 1984	June 1984	July 1983	Change From June 1984	Change From July 1983
(cont.)					
Total Nonmanufacturing	781,400	806,700	771,400	-25,300	10,000
Mining & Quarrying	2,100	2,200	1,800	- 100	300
Construction	30,700	28,000	28,800	2,700	1,900
Transportation, Communications, & Utilities	55,700	56,000	56,100	- 300	- 400
Transportation	33,000	33,200	32,300	- 200	700
Railroad	5,400	5,500	5,400	- 100	0
Trucking & Warehousing	17,500	17,300	17,300	200	200
Other Transportation	10,100	10,400	9,600	- 300	500
Communications	14,200	14,300	15,100	- 100	- 900
Utilities	8,500	8,500	8,700	0	- 200
Trade	251,500	251,800	246,400	- 300	5,100
Wholesale Trade	64,400	63,800	62,500	600	1,900
Durable Goods	37,500	37,500	37,000	0	500
Nondurable Goods	26,900	26,300	25,500	600	1,400
Retail Trade	187,100	188,000	183,900	- 900	3,200
General Merchandise	24,600	24,400	23,600	200	1,000
Food Stores	28,100	27,800	28,800	300	- 700
Auto Dealers & Service Stations	23,800	23,700	22,700	100	1,100
Other Retail Trade	110,600	112,100	108,800	- 1,500	1,800
Finance, Insurance, & Real Estate	66,800	66,700	66,200	100	600
Banking & Credit Agencies	23,500	23,500	23,500	0	0
Other Finance, Insurance, & Real Estate	43,300	43,200	42,700	100	600
Services	200,200	202,100	195,700	- 1,900	4,500
Hotels & Personal Services	25,300	25,100	24,100	200	1,200
Health Services	68,400	68,600	67,400	- 200	1,000
Other Services	106,500	108,400	104,200	- 1,900	2,300
Government	174,400	199,900	176,400	-25,500	- 2,000
Federal Government	30,700	30,100	30,500	600	200
State Government	47,600	53,700	49,200	- 5,100	- 1,600
Education	16,400	22,900	17,700	- 6,500	- 1,300
Other State	31,200	30,800	31,500	400	- 300
Local Government	96,100	116,100	96,700	-20,000	- 600
Education	53,400	73,600	52,800	-20,200	600
Other Local	42,700	42,500	43,900	200	- 1,200
Labor-Management Disputes	200	600	700	- 400	- 500

1/ Preliminary

2/ Revised

3/ Includes full and part-time nonfarm wage and salary workers in pay periods including the 12th of the month. Proprietors, self-employed, private household workers and armed forces excluded. NOTE: Estimated in cooperation with the U.S. Bureau of Labor Statistics and Employment and Training Administration. All data are based on the 1972 Standard Industrial Classification (SIC) codes as amended by the 1977 supplement.

4/ Total nonagricultural wage and salary employment, seasonally adjusted, and indexed to 1977. Data on the earlier index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of .8264, the ratio between 1972's annual average employment (774,300) and that of 1977 (936,900).

5/ The diffusion index is the percentage of a selected group of 43 industries showing an increase in seasonally adjusted employment. Half of those industries showing no significant change (less than 1/2 of 1%) are counted as increasing.